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2 RESOLUTION 87-39

3 RESOLUTION AUTHORIZING A FINAL LOAN COMMITMENT

4 WHEREAS, the California Housing Finance Agency staff  
5 has reviewed a loan application from Capitol Area Development  
6 Authority under the Rental Housing Mortgage Loan Program for  
Brannan Court and has recommended to the Lending /Insurance  
Committee of the Board of Directors such loan be approved; and

7 WHEREAS, the Lending/Insurance Committee has reviewed  
8 that loan application and concurs in the recommendation of the  
staff; and

9 WHEREAS, the Board of Directors has approved an  
10 initial loan commitment Resolution 87-13 on May 14, 1987 for  
such project; and

11 WHEREAS, based upon the recommendation of staff and  
12 the Lending/Insurance Committee, the Board of Directors has  
determined that a final loan commitment be made for such  
13 project.

14 NOW, THEREFORE, BE IT RESOLVED by the Board of  
Directors of the California Housing Finance Agency:

- 15 (1) The Executive Director, or in the Executive  
16 Director's absence, the Director of Programs of the  
California Housing Finance Agency is hereby  
17 authorized to transmit a final commitment letter,  
subject to the recommended terms and conditions set  
18 forth in the attached report of CHFA staff dated June  
22, 1987 in relation to a multifamily housing  
19 development described as follows:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
86-32-N	Brannan Court Sacramento	40	\$1,920,000 200,000 (2nd Mortgage)


- 23 (2) The final commitment letter shall specifically state  
24 that the commitment is subject to the Agency's  
ability to sell its bonds in an amount sufficient to  
25 fund the commitment.

- 26 (3) The Executive Director, or in the Executive  
Director's absence, the Director of Programs of the  
California Housing Finance Agency has the authority  
27 to modify the mortgage amount so stated in this

resolution by an amount not to exceed seven percent (7%) without further Board approval. All other changes, including changes in mortgage amount of more than seven percent (7%), must be submitted to this Board for approval.

I hereby certify that this is a true and correct copy of Resolution 87-39 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on July 9, 1987 at Sacramento, California.

ATTEST:

  
Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committee Date : June 22, 1987

From : Warren Seeto  
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Brannan Court  
Sacramento, Sacramento County  
CHFA #86-32-N  
501(c)(3) Corporation

Action Requested

The purpose of this memorandum is to recommend a Final Loan Commitment in the amount of \$1,920,000 to develop 40 new rental units in the City of Sacramento. In addition, we hereby request a second mortgage in the amount of \$200,000. The developer has satisfied the terms of the Initial Commitment which includes securing construction financing. The developer has obtained a construction loan commitment from First Interstate Bank and has started construction.

Market Study - MAI Appraisal

The firm of Appraisal West completed an independent market study, and has issued an MAI appraisal dated April 30, 1987. The economic value determined by this appraisal is \$2,490,000, which resulted in a 77% loan to value. This appraisal is summarized on page 5 of the Application for Mortgage Financing, (CHFA-3).

Financial Requirements

Program guidelines require minimum cash equity and investment of 10% of replacement costs. With this loan, the developer's equity contribution is \$717,427, which represents a 25.3% investment.

In addition to the cash equity, the developer will be required to post a Bond Security Escrow of \$67,200, which is 3-1/2% of the mortgage amount. CHFA's permanent loan fee of \$48,000 (2-1/2%) will be deferred until the Agency funds the permanent

loan, at which time the 3-1/2% Bond Security Escrow will be returned to the developer. Also, when the permanent loan is funded the following escrows are required:

Projected Operating Expense Escrow	\$74,100
Rent-Up/Operating Expense Escrow	\$64,527

Occupancy Requirement

8 units (20%) must be occupied by very low income tenants paying a maximum annual rent no greater than 30% of the published income limits (adjusted for family size). The remaining 32 units are not regulated.